



Proton Therapy

Jefferies Conference – New York

 **Jean-Marc Bothy (Chief Strategy Officer)**

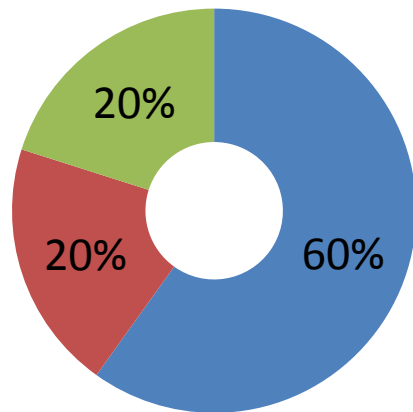
 IBA Group

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This presentation may contain forward-looking statements concerning industry outlook, including growth drivers; the company's future orders, revenues, backlog, or earnings growth; future financial results; market acceptance of or transition to new products or technology and any statements using the terms "could," "believe," "outlook," or similar statements are forward-looking statements that involve risks and uncertainties that could cause the company's actual results to differ materially from those anticipated. The company assumes no obligation to update or revise the forward-looking statements in this release because of new information, future events, or otherwise.

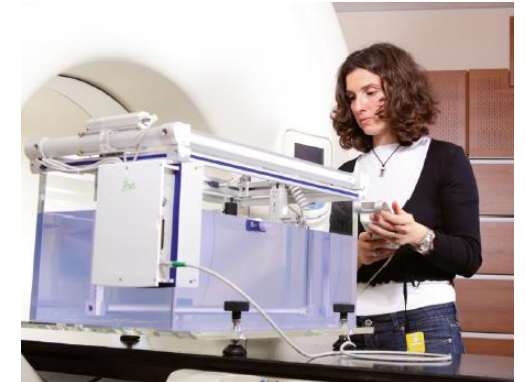
- IBA is a worldwide technology leader in the field of proton therapy
 - Most advanced form of cancer treatment with radiation therapy today
 - Complete offering (Proteus®PLUS and Proteus®ONE)
- Global leader in dosimetry and particle accelerators
- Three activities with significant market share



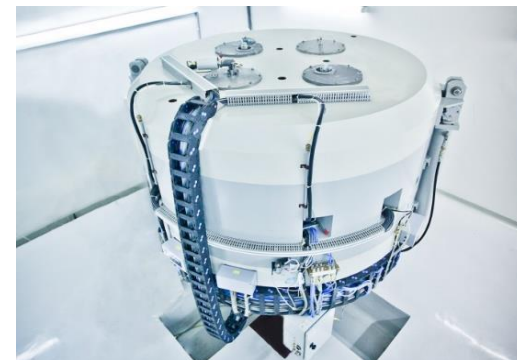
- - Proton therapy
- - Dosimetry
- - Other Accelerators



Proton Therapy



Dosimetry



Other accelerators (RadioPharma Solutions and Industrial)

PROTON THERAPY

Precise dose delivery, fewer side effects

Why protons?

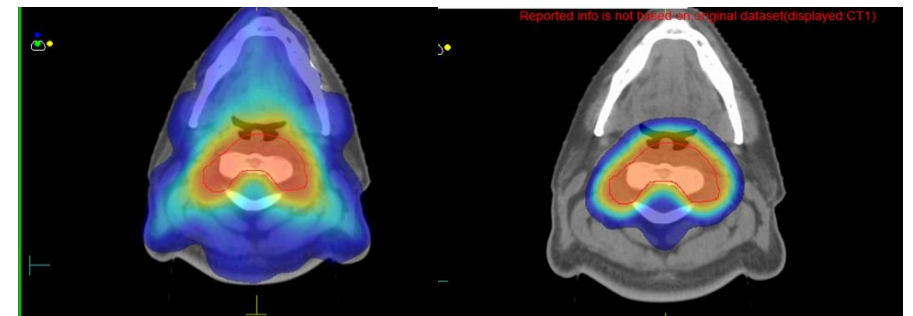
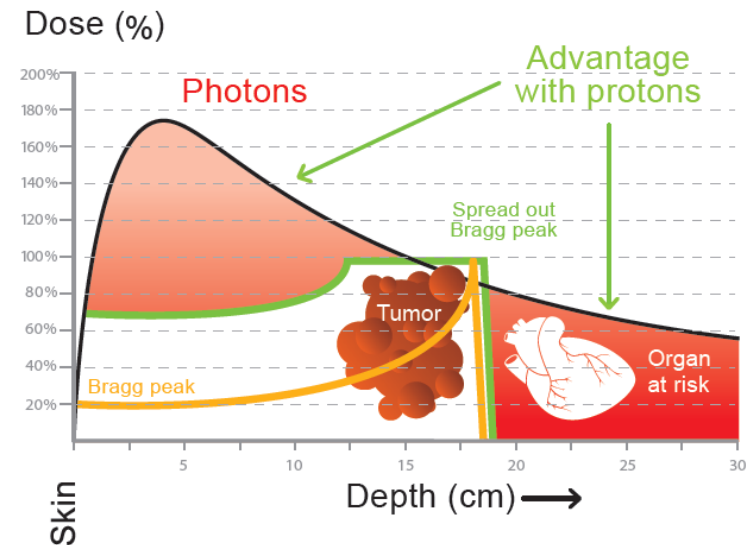
- Deliver maximum energy within a precisely controlled range
- Deposit a high and conformal dose
- Deposit very low entry dose and no exit dose – sparing healthy tissue

The benefits

- Reduce risk of secondary cancers
- Reduce unnecessary dose to the critical structures like heart while treating a lung or a breast
- Reduce Risk of growth abnormality for children

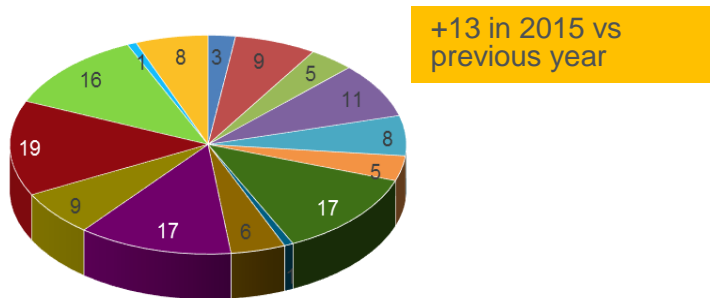
Expanding list of key Indications

- Head & neck, Spinal cord, Eyes, Orbits, Pelvis, Prostate, **Lung**, Pediatric cancers, **breast**...

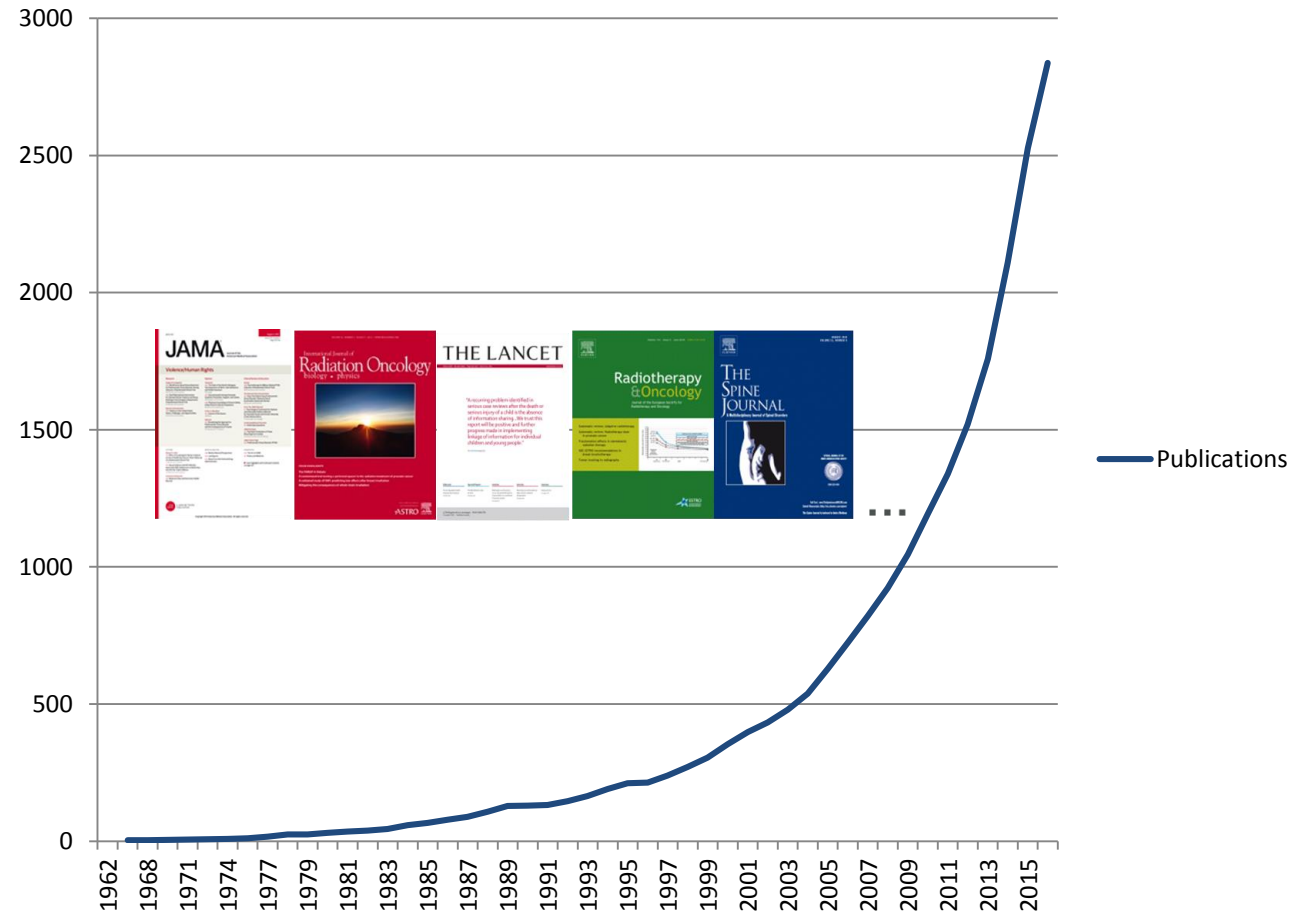


Increasing relevance of proton therapy

Ongoing clinical trial Total 135



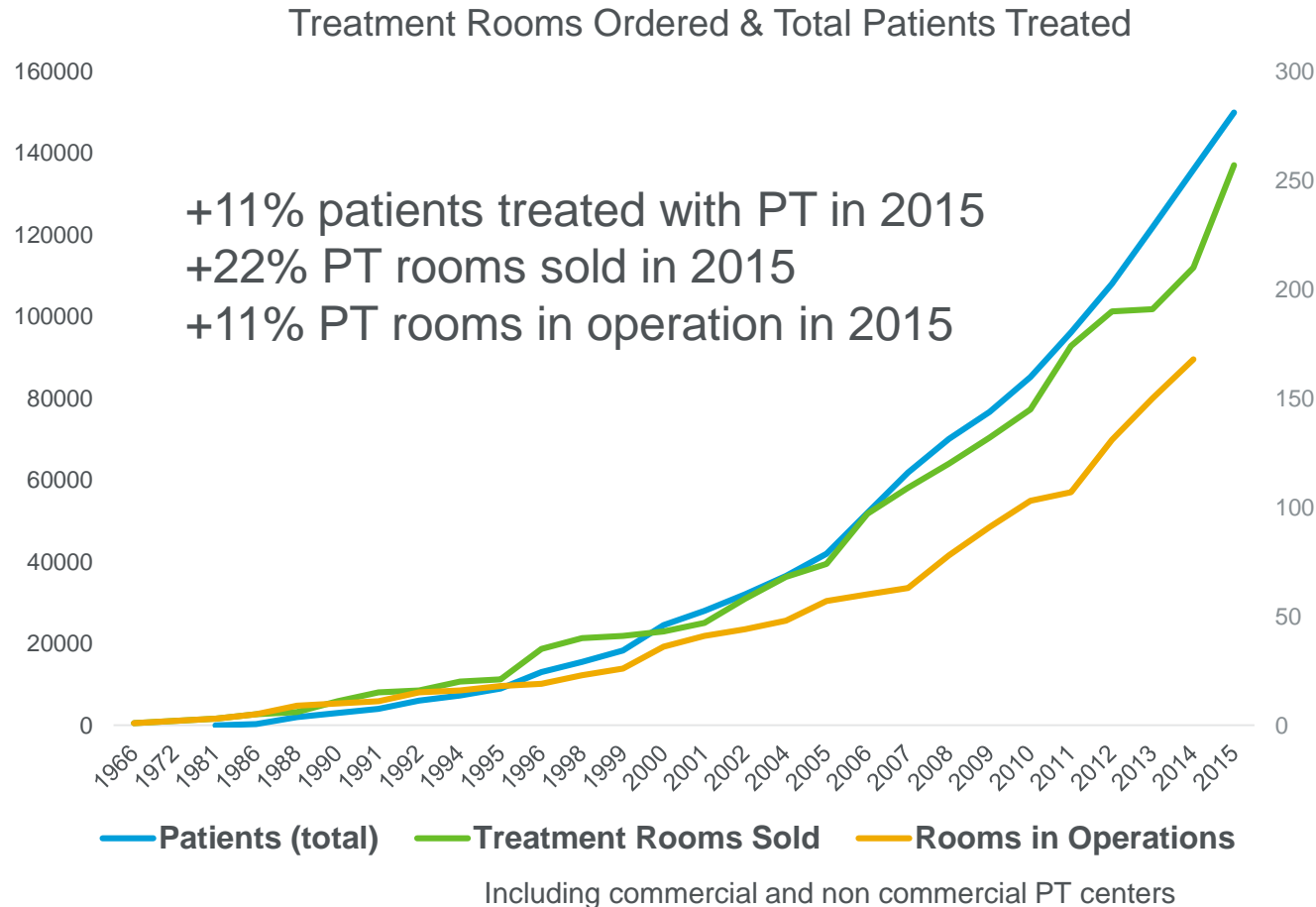
Cumulative number of PT publications



- ocular
- spine
- pancreas
- prostate
- bone soft tissues
- breast
- pediatric
- others
- head and neck
- liver
- esophagus, anal
- uterus, cervix
- lung
- brain, CNS, skullbase
- lymphoma, hodgkins
-

Growth of operational proton therapy rooms

Observed number of PT rooms in operation, patients treated with PT and medical publications



Growing recognition of proton therapy clinical advantages



PERSPECTIVE ON RADIATION THERAPY PATIENTS RECEIVING PROTON THERAPY AS PART OF THEIR TREATMENT

1%

Today

20%

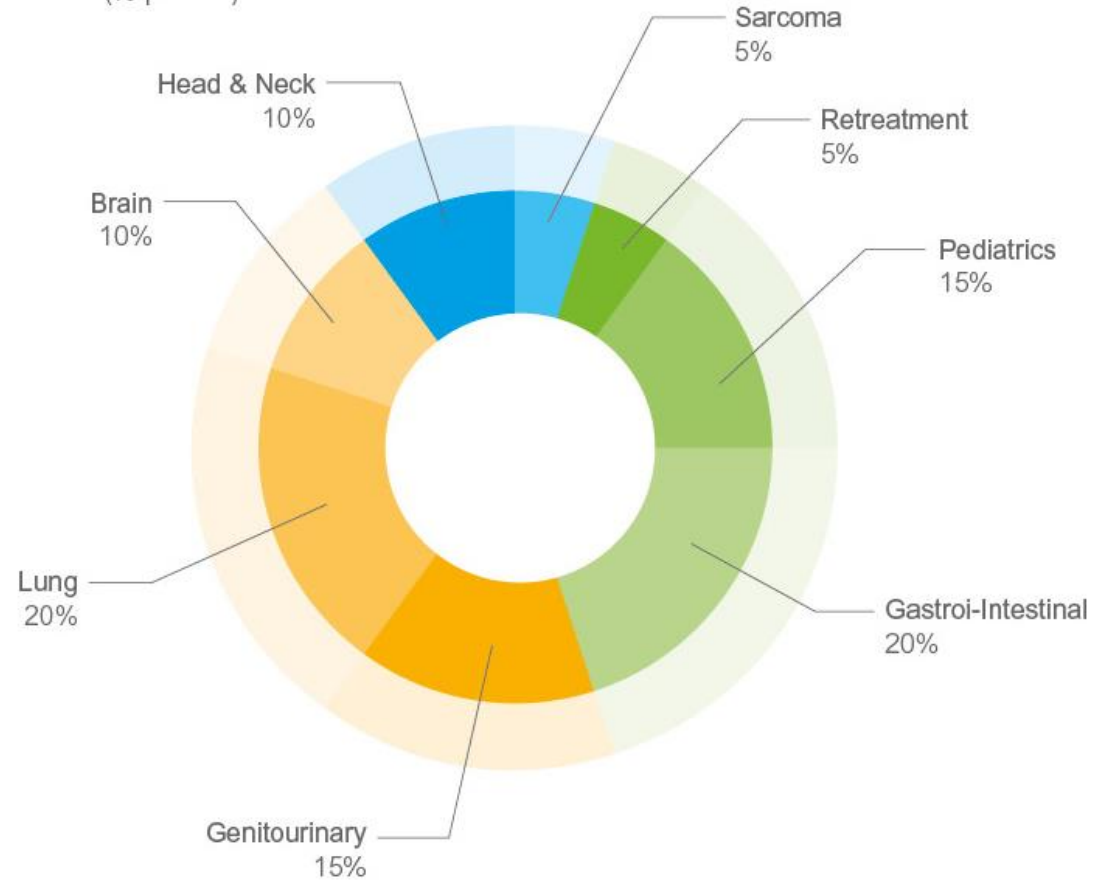
Following reports & policies

45%

Following clients' experiences



Proton Therapy Typical Cancer Indication Mix
(% patients)



Oct. 2015 data from a leading center in the US

Continuous growth of PT market

Region	Current number of sold rooms	Current number of rooms in operation	Treatment room potential
North America	102	74	339
South America	2	0	198
Europe incl. Russia	75	43	658
Asia	78	51	1,307
World	257	168	2,502

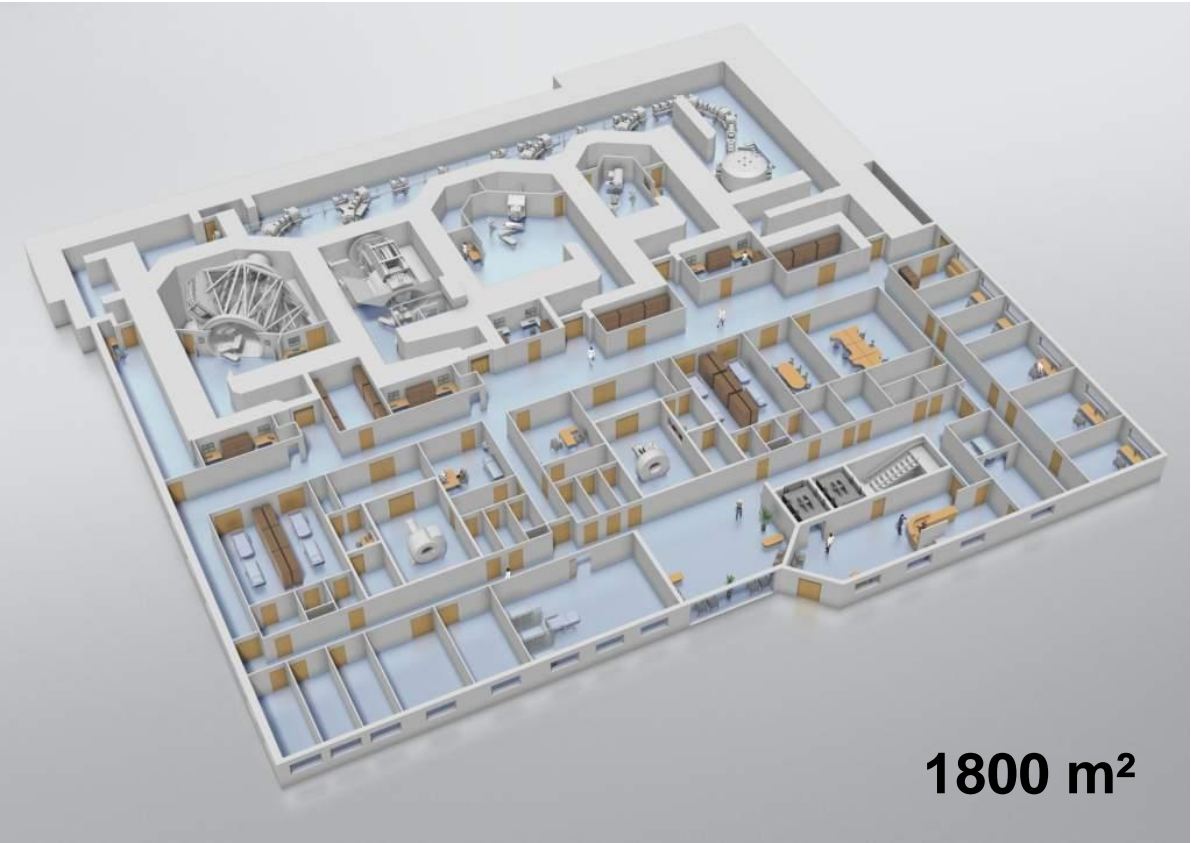
Including commercial and non commercial PT centers



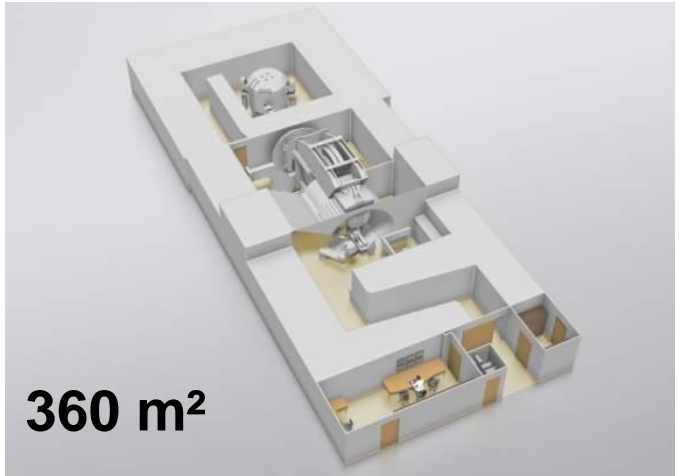
IBA's unique proton therapy solutions



Proteus[®]PLUS



Proteus[®]ONE*



At comparable scope, it represents a saving of > 30% for the hospital

***Proteus[®]ONE & Proteus[®]Plus features PBS and Cone Beam CT**

Protect, Enhance and Save Lives

**Subject to review by Competent Authorities (FDA, European Notified Bodies, et al.) before being put on the market.*

IBA – at the forefront of technology

Adaptive High Precision Proton Therapy

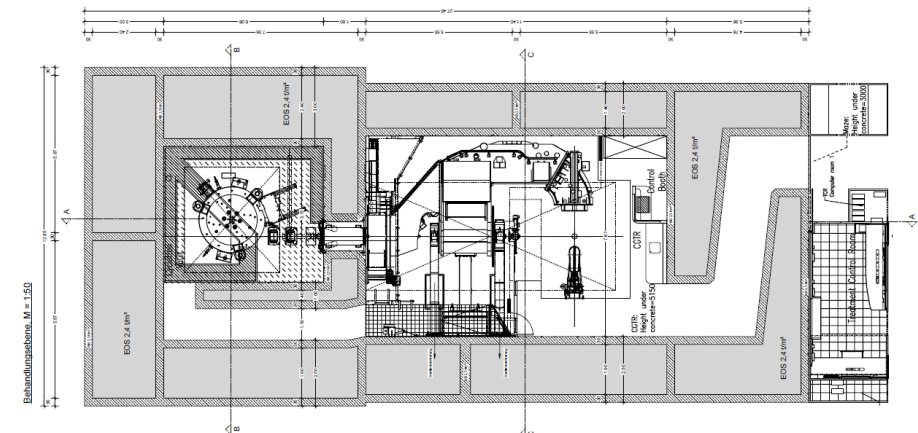
- Adaptive Software and QA
- Enhanced delivery and monitoring hardware
- In Room Imaging
- Range management (Gamma prompt camera and virtual CT)

Organ Motion Management

- Faster Beam Delivery
- Real time monitoring
- Respiratory management systems integration (Universal Beam Triggering Interface)

Cost of Ownership/Treatment

- Equipment/construction (Partnership with Pravidia)
- Operation / high uptime (98%)
- Reduction of electricity consumption by 30%
- Hypofractionation (Dynamic Collimator System)

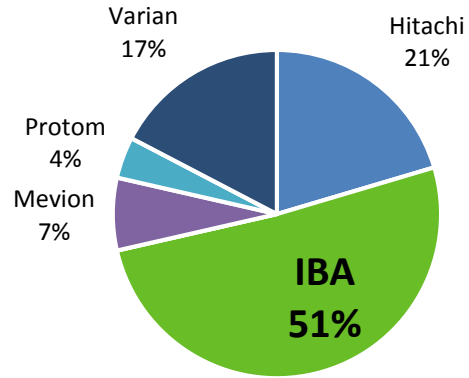


Market shares in rooms by geography



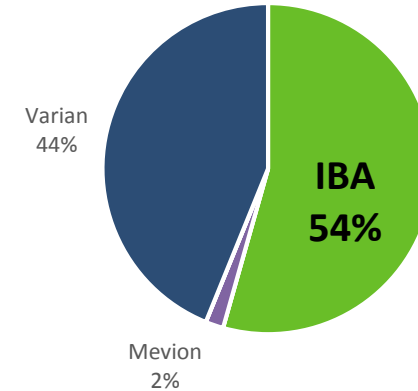
Rooms (YTD)

US room market share



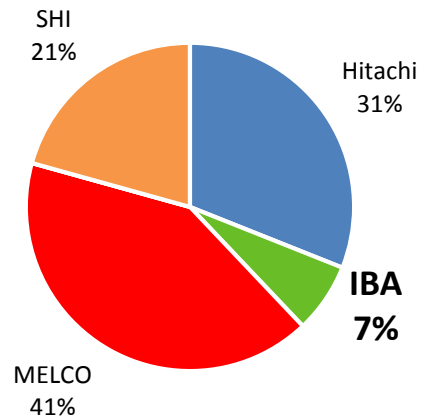
■ Hitachi ■ IBA ■ MELCO ■ Mevion ■ Protom ■ SHI ■ Varian

EMEA + ROW room market share



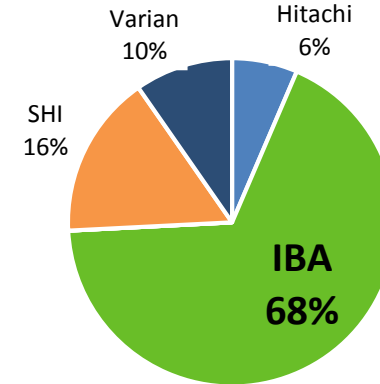
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Japan room market share



■ Hitachi ■ IBA ■ MELCO ■ Mevion ■ Protom ■ SHI ■ Varian

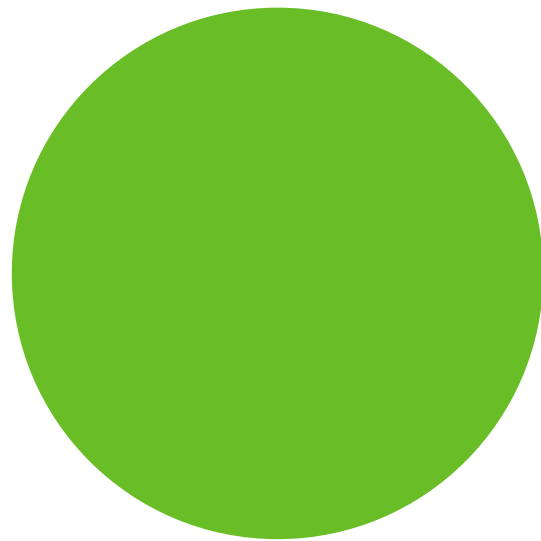
Rest of APAC room market share



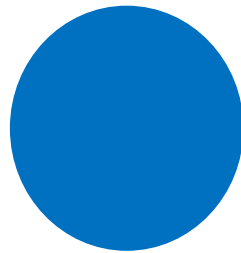
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2015 growth in patient treatments

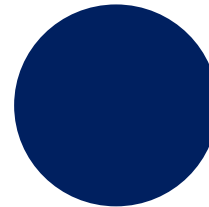
- Already almost 50,000 patients treated by IBA clients, more than by all competitors combined



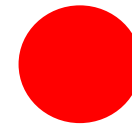
IBA : 48,177



Hitachi: 11,091



Varian: 10,645



MELCO: 6,854



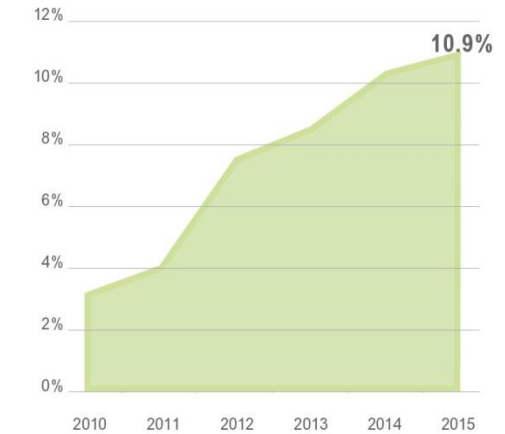
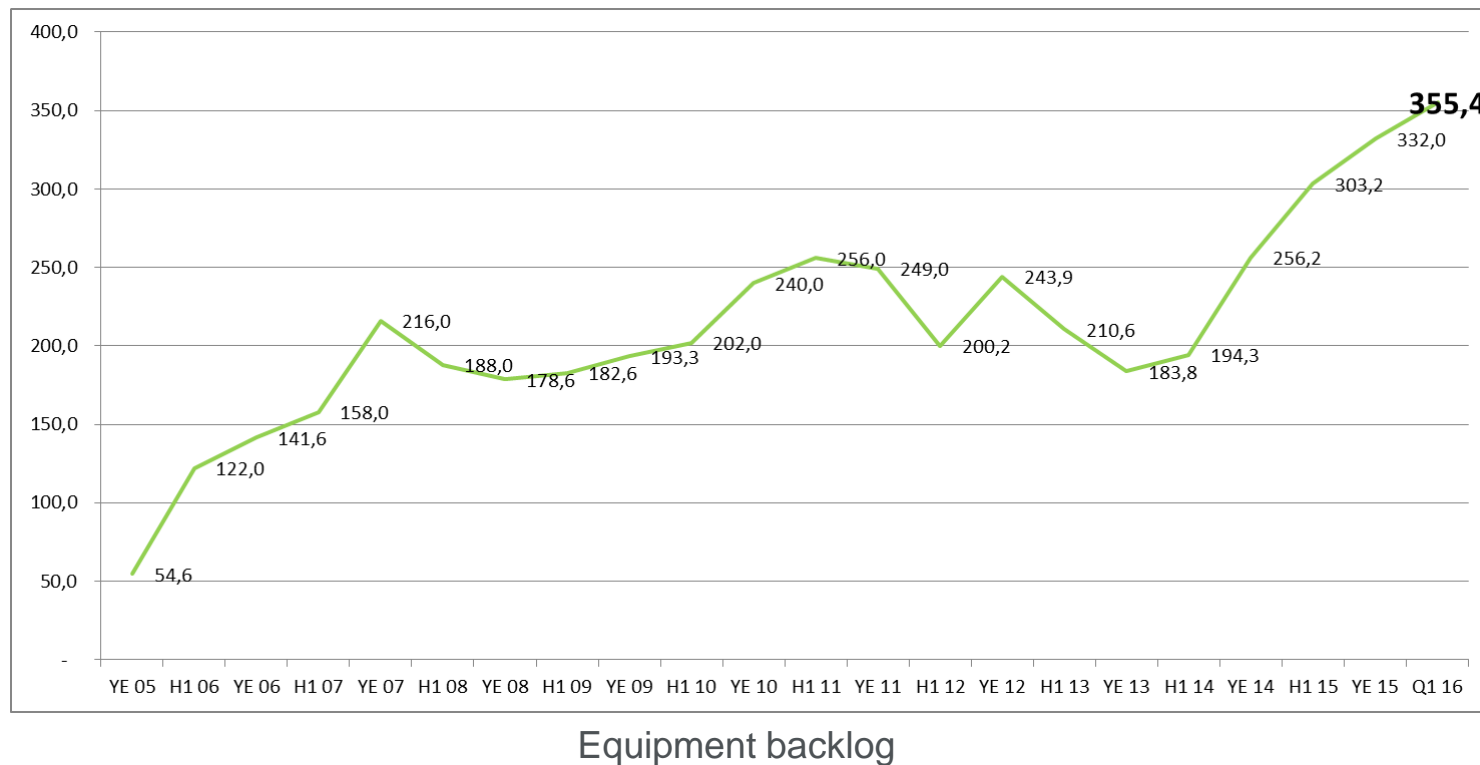
SHI: 1,561



Mevion: 410

Key financials

- 2015 sales: EUR 270 million (+ 22.6%);
- Q1 16: +10,2%;
- REBIT margin 2015 : 10.9%
- Backlog of EUR 355,4 million end Q1 16 (+27% vs Q1 15)



REBIT / Sales and services trends



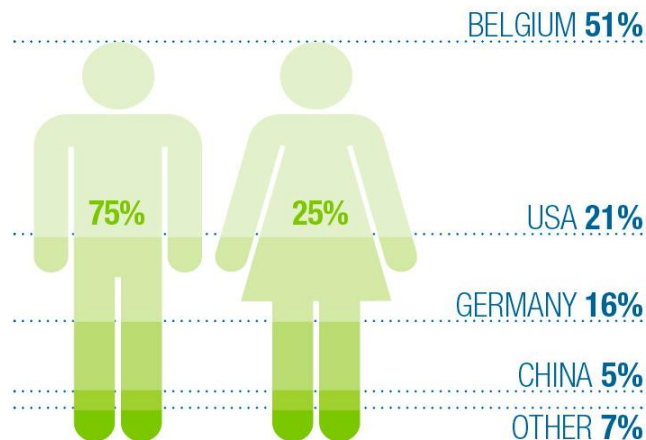
PT service backlog end 2015

Scaling up program and 2016 focus

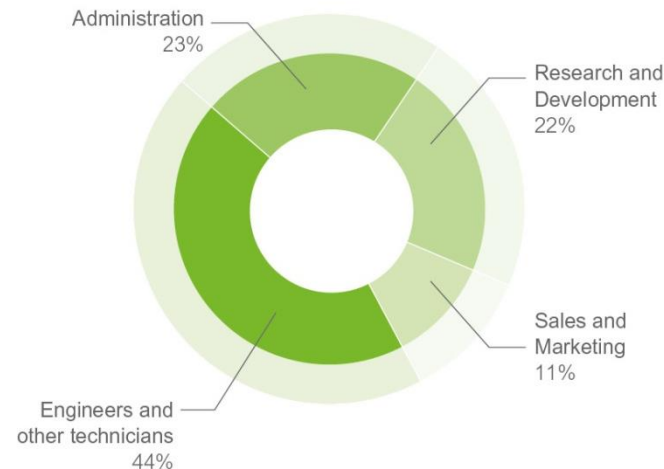
Scaling up for growth

- IBA is growing to capitalize on PT market growth
- >1,200 employees worldwide
- Highly qualified staff
- Recruitment of 400 engineers
 - of which 200 in Belgium
 - to grow headcount from 1,200 to 1,600 in the next 12 months

IBA EMPLOYEES WORLDWIDE



EMPLOYEE ACTIVITY PROFILE



Scaling up for growth

- Today
 - 6 - 8 Proteus[®]ONE / year
- In the future
 - 20 - 30 Proteus[®]ONE / year
- Capex
 - Eur 15 million investment
 - program over 2 years
 - Including customer center



+/- 6000 m² warehouse and production + offices

PT – the 3 key levers for 2016

1

Delivering our go-to-market strategy



2

Leadership in Clinically Relevant Innovation



3

Make PT more Affordable



PT – grow the PT market & lead it

1

Delivering our go-to-market strategy

1. Proactive conversion with clinics with 3+ radiotherapy machines to potential sales targets for PT
2. Improve sales coverage & internal productivity
3. Differentiate IBA offering – “If its PT it has to be IBA”
4. Make use of upgrade sales potential
5. Leverage on Partnerships



PHILIPS **TOSHIBA**

PT – maintain product & service leadership

2

Leadership in
Clinically Relevant
Innovation

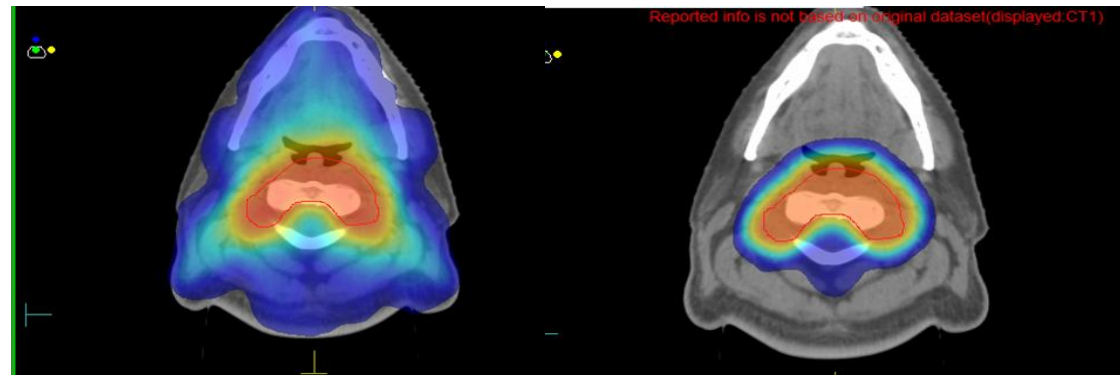
1. Enhance clinical relevance of PT
2. Robust TPS-OIS strategy
(Treatment Planning System and Operational Information System)

PHILIPS

RaySearch
Laboratories

ELEKTA

3. Enhance R&D capacity



IMRT

IMPT

PT – reduce total cost & make PT more reliable

3

Make PT more
Affordable

1. Deliver Proteus roadmap on cost reduction
2. Continue to cut delivery times



GUIDANCE

- Based on the following elements at YE 2015:
 - PT & Other Accelerators equipment backlog of EUR 332 million
 - PT & Other Accelerators service backlog of EUR 575 million representing 33 signed contracts of 10 years on average
 - Dosimetry backlog of EUR 18.4 million
 - Well mastered production and installation schedule for the 18 PT projects ordered and not yet delivered offering a high visibility
 - > EUR 1 billion strong & growing PT pipeline of which 70% Proteus[®]ONE where IBA has a unique competitive position
- **The company revises top line guidance to:**
 - “Above 20%” top line growth in 2016 (from “above 10%”)
 - Double digit annual growth thereafter



Guidance REBIT margin & dividend

- **Confirmed REBIT guidance**

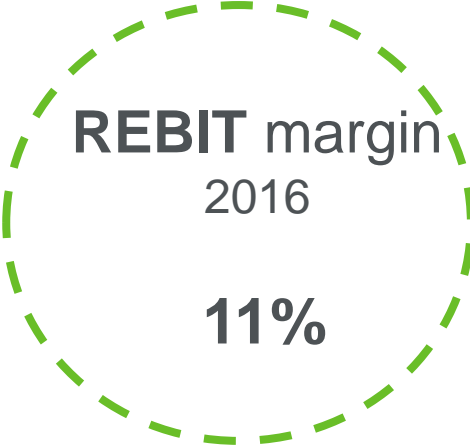
- c.11% in 2016
- 13 to 15% by 2018

- **Guidance supported by the balance between**

- Economies of scale/operational leverage
- Growing importance of service
- Price erosion
- Investment in scaling up company production capacity and “go to market” resources
- Investment in R&D to keep market leadership

- **Dividend**


Target 30% dividend payout confirmed



REBIT margin
2016
11%



REBIT margin
by 2018
13-15%



Dividend
pay-out ratio
target
30%



Thank you

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Jean-Marc Bothy (CSO)



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